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# Japan Report

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POLITICAL AND SOCIOLOGICAL

AUSTRIA'S STEGER HOLDS TALKS WITH NAKASONE, ABE

OW190419 Tokyo KYODO in English 0407 GMT 19 Sep 85

[Text] Tokyo, 19 Sep (KYODO)--Austrian Trade, Commerce and Industry Minister Norbert Steger called on Japan Thursday to trim tariffs on natural cheese and other agricultural produce to correct the trade imbalance between the two countries. Steger, who is also vice chancellor, made the request in separate meetings with Prime Minister Yasuhiro Nakasone and Foreign Minister Shintaro Abe.

Austria has long urged Tokyo to reduce duties on natural cheese, chocolate spread, candy and other goods in a drive to promote Austrian exports and redress the country's trade deficit with Japan which reached \$227 million in 1984, a Japanese official said.

Steger, now on a 6-day visit, shared Japanese concern about strong protectionist sentiment in the U.S. Congress and reaffirmed his country's longstanding commitment to a new trade round under the General Agreement on Tariffs and Trade (GATT), the official said. The Austrian minister warned that the protectionist sentiment in the United States should not be underestimated.

Tainted wine shipments from Austria did not come up in Steger's talks with either Nakasone or Abe, Foreign Ministry officials said. The issue may be discussed in a Friday meeting between Steger and his Japanese counterpart Keijiro Murata, a Foreign Ministry source hinted. "Austria is fully aware of the seriousness of the wine problem," the source added.

Japanese officials said Steger also requested that Japan Air Lines, the nation's flag carrier, begin a regular air service to Vienna to further promote tourism. The Austrian minister will raise the subject again in his meeting Friday with Transport Minister Tokuo Yamashita.

Steger will visit Osaka Saturday and Kyoto Sunday before leaving for home Sunday evening.

It is his first visit to Japan in 26 years following his previous trip as a member of the Vienna Boys' Choir.

CSO: 4100/757



POLITICAL AND SOCIOLOGICAL

JAPAN PREPARING TO SEND SDI STUDY MISSION TO U.S.

OW180759 Tokyo KYODO in English 0751 GMT 18 Sep 85

[Text] Tokyo, 18 Sep (KYODO)--Japan is making preparations for sending a mission to the United States to study if it should join in the research phase of the strategic defense initiative (SDI), a top Foreign Ministry official revealed Wednesday. The official said that the ministry has not decided on the timing of the mission's trip to America.

The official commented on the SDI after the government decided on a new 5-year defense program, which will be one of key topics of discussion between Foreign Minister Shintaro Abe and Secretary of State George P. Shultz in New York 26 September.

His comment came amid strong indications that West Germany, Britain and Italy are moving toward participation in the SDI's research program.

When asked if participation of these Western European countries in the SDI research program will influence Japan's decision on the issue, the senior Foreign Ministry official replied: "We will take that factor into account."

Prime Minister Yasuhiro Nakasone, who plans to meet President Ronald Reagan in October, said after his meeting with Reagan last January that his government understands the U.S. explanation of the SDI aiming for eventually eradicating nuclear weapons.

The Reagan administration sent an SDI mission to Japan after the Reagan-Nakasone talks in Los Angeles to persuade Japan to participate in the SDI research.

CSO: 4100/757

POLITICAL AND SOCIOLOGICAL

JAL INVESTIGATORS FIND FAULTS IN TORSION BOX

OW180259 Tokyo KYODO in English 0250 GMT 18 Sep 85

[Text] Tokyo, 18 Sep (KYODO)--Aviation officials conducting a probe into the 12 August Japan Airlines (JAL) Boeing 747 crash reported Wednesday that on-site examination of the plane's tail fin section revealed signs of metal fatigue in the torsion box.

Microscopic examination of the fin's torsion box, the rear pressure bulkhead and other fragments of the plane will be carried out by specialists in Tokyo beginning Wednesday, according to the Transport Ministry.

However, they said that an initial crash-site investigation of the torsion box revealed a rupture due to possible metal fatigue. The torsion box is a rectangular section located between the vertical stabilizer and the rudders in the plane's tail fin.

Following a 1978 Osaka airport runway accident, Boeing Co. technicians repaired a damaged section of the rear pressure bulkhead of the plane. However, officials pointed out that the vertical fin was never examined by the technicians.

In an earlier report, the Transport Ministry's Air Accident Investigation Committee announced that irregular repairs were carried out on the rear pressure bulkhead by Boeing Co. technicians.

Boeing Co. has stated that while the 1978 repair work was faulty, the cause of the crash is still unknown.

The crash, in which 520 people died, was the worst ever single-plane disaster. The plane was on a domestic flight from Tokyo to Osaka when it went out of control.

Inspection of fragments from the plane's rear section signal a new stage in the investigation.

While initial work is expected to get under way Wednesday, recovery and shipment of about 50 tons of metal fragments is expected to take until the beginning of October.

The committee hopes that specialists using electronic microscopes will be able to determine what led to the crash. During the intense probe, investigators are expected to check for signs of metal fatigue in the rear pressure bulkhead and vertical fin.

According to the specialists, metal fatigue can be identified by micro-grooves or striations around cracks in the metal. A number of these marks have already been found in the bulkhead, an umbrella-shaped barrier which separates the pressurized cabin from the unpressurized tail cone of the plane.

Moreover, examination of the torsion box has revealed a number of jagged ruptures which will be closely studied under microscopes for signs of fatigue.

CSO: 4100/757



POLITICAL AND SOCIOLOGICAL

JAPAN TO BOOST RESCUE SERVICE IN NW PACIFIC

OW100507 Tokyo KYODO in English 0455 GMT 10 Sept 85

[Text] Tokyo, 10 September KYODO--Japan should set up a speedy rescue service for vessels in distress covering wide areas of the northwestern Pacific, an official report proposed Tuesday.

The Maritime Safety Agency (MSA) made the proposal in a White Paper on maritime security for 1985, which was approved by the cabinet the same day.

The service would fulfill Japan's obligations under the international treaty on maritime search and rescue operations, which divides the world's seas into 13 regions for local member nations to cover. Japan is a signatory to the treaty, which took effect last June.

Under the pact, Japan is responsible for the northwestern Pacific region, covering some 2,200 kilometers up to 17 degrees north latitude and 165 degrees east longitude. The area is over 20 times as wide as the Japanese Archipelago.

The MSA, which has been sending patrols beyond the nation's 200 mile limit since 1982, is now reinforcing them with two more patrol boats capable of carrying helicopters and five medium-sized helicopters and a medium-sized plane.

The MSA is to start using a new system for locating ships in distress next month. A major problem for the MSA is to replace the mainstay YS-11 patrol planes with planes capable of longer-range flights.

The White Paper said a total of 252 persons died or were missing in 1,920 incidents involving ships in waters off Japan last year.

It also said about 12,000 foreign fishing ships, including those from the Soviet Union, China and South Korea, were found to be operating in the Japanese 200-mile zone during the year.

The number of cases referred to prosecutors for violating the law against ocean pollution totaled 981 in 1984, of which 704 involved oil, the report said.

CSO: 4100/736

POLITICAL AND SOCIOLOGICAL

ADVISORY BODY ASKED TO REVIEW AVIATION POLICY

OW101257 Tokyo KYODO in English 1241 GMT 10 Sep 85

[Text] Tokyo, 10 September KYODO--The transport ministry Tuesday asked an advisory body to study a possible revision of its aviation policy authorizing Japan Air Lines (JAL) to hold a virtual monopoly over international air transport of passengers.

The council for transport policy was specifically asked to give priority to the matter of allowing more than one airline to engage in regular international passenger transport, in the light of a Japan-U.S. interim civil aviation agreement reached in April this year.

The agreement opened the way for Japanese airlines other than JAL to fly to the United States. All Nippon Airways (ANA) has already applied for permission to start a service to the U.S. island of Guam in the Western Pacific.

The present aviation policy is based on a cabinet understanding of 1970 and a directive from the transport ministry of 1972, which are together dubbed the "aviation constitution."

The ministry also asked the council to study the matter of completely privatizing JAL, which is now 35.7 percent owned by the government, and ways to promote competition in domestic air services.

The council, chaired by Yoshihiro Inayama, Chairman of the Federation of Economic Organizations (Keidanren), will set up a working group on aviation to start a review of aviation policy Thursday.

The "aviation constitution" clearly defines the scope of service for each of Japan's three major airlines--JAL, ANA and TOA domestic airlines (TDA).

JAL is assigned to fly international routes and trunk domestic routes linking Tokyo, Osaka, Sapporo, Fukuoka and Naha, while ANA is authorized to operate flights on the trunk and local routes in Japan, and non-scheduled international charter flights.

TDA's service is limited to local routes and some of the trunk routes.

However, ANA and TDA contend that the "aviation constitution" is already out of date.

Moreover, Japan-U.S. air talks over the problem of allowing the newly established Nippon Cargo Airlines (NCA) to start cargo flights to the United States produced an interim agreement late in April, calling for the opening of three new air routes between the two countries.

This opened the way for Japanese airlines other than JAL to take part in regular international transport of passengers. Moreover, additional U.S. airlines are expected to start flying into Japan possibly next spring.

Under these circumstances, the ministry has said it considers it necessary to undertake a basic review of its aviation policy.

As for the privatization of JAL, there is a growing view within the government that JAL should be placed completely under private management as soon as possible to improve its allegedly inefficient management, which is now under fire in connection with the crash of a JAL jumbo in Japan on 12 August.

JAL itself is expected to adopt a policy of complete privatization shortly.

CSO: 4100/736

7 October 1985

LDP'S KANEMARU HINTS AT PLYWOOD TARIFF CUT

OW200600 Tokyo KYODO in English 0551 GMT 20 Sep 85

[Text] Tokyo, 20 Sep (KYODO)--A leader of the ruling Liberal-Democratic Party (LDP) Friday suggested a possible cut in import duties on plywood in 1986, a year ahead of the original schedule, to help ease mounting trade friction with the United States.

LDP Secretary General Shin Kanemaru dropped the hint at a press conference while referring to the plywood tariff issue, which is of primary concern to the United States.

The government plans to reduce plywood duties from April 1987 as part of its market-opening action program announced 30 July to hold down Japan's swelling trade surplus.

Kanemaru said he feels Japan-U.S. trade relations are "more severe than imagined earlier."

The LDP intends to deal with the plywood issue by taking into account Japan's Upper House elections next June and mid-term U.S. congressional elections in November 1986, he said, indicating that political considerations may lead to moving up the date for a tariff cut.

Decisions on this and other issues must be based on the outcome of Foreign Minister Shintaro Abe's meeting with U.S. Government leaders next week, he said. Kanemaru indicated that an LDP delegation scheduled to visit Washington in early October should take with it concrete measures redressing the bilateral trade imbalance.

The mission, to be led by LDP Vice President Susumu Nikaido, is being organized in the face of growing protectionist sentiment in the U.S. Congress which has led to approval of two anti-Japanese trade bills by Senate committees.

On Thursday, U.S. Ambassador to Japan Mike Mansfield urged Foreign Minister Abe to bring forward the implementation of announced market-opening measures, including a plywood tariff cut.

In Washington, U.S. Undersecretary of Agriculture Daniel Amstutz said at a Senate panel hearing Thursday that Japan is imposing excessively high duties on forest products.

C50: 4100/757



## BRIEFS

DISARMAMENT DISCUSSION WITH SPAIN--Tokyo, 13 Sep (KYODO)--Visiting Spanish Prime Minister Felipe Gonzalez and Japan Socialist Party (JSP) Chairman Masashi Ishibashi met here Friday for an hour-long discussion centering on global nuclear arms reduction, JSP officials said. Ishibashi said the United States' strategic defense initiative (SDI) is the key problem in disarmament talks between the United States and the Soviet Union. Gonzalez agreed and said he hopes the two superpowers will find a solution to the SDI issue in order to achieve an overall reduction in nuclear arms and relax tension between East and West, the officials said. Ishibashi, leader of Japan's main opposition party, leaves for Moscow Saturday for talks with Soviet leader Mikhail Gorbachev. Ishibashi told Gonzalez he will convey to Gorbachev the JSP's strong hope that the November summit between U.S. President Ronald Reagan and Gorbachev will be successful. Gonzalez said the relaxation of tension is desired by all the peoples of the world, according to the officials. [Text] [Tokyo KYODO in English 0426 GMT 13 Sep 85]

NAKASONE TO VISIT U.S.--Tokyo, 20 Sep (KYODO)--Prime Minister Yasuhiro Nakasone will leave for a 6-day visit to the United States 19 October to attend events marking the 40th anniversary of the founding of the United Nations, government sources said Friday. Nakasone will meet U.S. President Ronald Reagan in Washington and will deliver a speech at a United Nations General Assembly session in New York. He will return to Tokyo 24 October, the sources said. [Text] [Tokyo KYODO in English 0510 GMT 20 Sep 85]

Tokyo, 20 Sep (KYODO)--Japan and the United States have agreed that Prime Minister Yasuhiro Nakasone and President Ronald Reagan will meet in New York on 23 October, government sources said Friday. The sources said that Nakasone will leave Tokyo on 19 October to start a 6-day trip to the United States to attend events in New York marking the 40th anniversary of the founding of the United Nations there. Prior to Nakasone's visit, Foreign Minister Shintaro Abe will visit the United States later this month and Susumu Nikaïdo, vice president of the ruling Liberal-Democratic Party, will go over on 7 October. On the basis of the outcome of these preceeding visits, Nakasone will have discussions with Reagan on ways to resolve the current trade disputes between the two countries, the sources said. While in New York, Nakasone is also expected to meet leaders of other countries, including Canadian Prime Minister Brian Mulroney and Indian Prime Minister Rajiv Gandhi. [Text] [Tokyo KYODO in English 1103 GMT 20 Sep 85]



LDP OPPOSITION TO NAKASONE--Washington, 16 Sep (KYODO)--Talking with Japanese reporters later, Yamaguchi criticized leaders of the ruling Liberal-Democratic Party (LDP) opposing election of Prime Minister Yasuhiro Nakasone to a third 2-year term in November next year. "I doubt the statesmanship of those who are talking about the issue of (Nakasone's) election to a third term when they face more important issues to be discussed such as Japan-U.S. trade friction," said Yamaguchi, who leads the small New Liberal Club (NLC) that forms a coalition government with the LDP. Among LDP leaders opposing Nakasone's second reelection as LDP president--hence prime minister--are Finance Minister Noboru Takeshita and Foreign Minister Shintaro Abe. "If the prime minister makes it clear he will step down next year, he cannot deal with key pending issues because the opposition camp will not bow to a lame-duck prime minister," Yamaguchi said. [Text] [Tokyo KYODO in English 0148 GMT 17 Sep 85]

SHAMIR'S VISIT CRITICIZED--Tehran, 9 September KYODO--The newspaper of Iran's ruling Islamic Republican Party said Monday that the current visit to Japan of Israeli Foreign Minister Yitzhak Shamir endangers Japan's interests in the Middle East. The Islamic Republic said in an editorial that Japan's acceptance of the visit showed Japan is taking a negative stance toward the Mideast problems. Japan will be responsible for the political and economic consequences of the Shamir visit, it said. It said the Japanese foreign ministry's statement that Japan is trying to promote understanding of the Israeli position and closer relations between Israel and the Arabian countries through the visit is an excuse. Japan is interfering in the internal affairs of the Arabian countries, it said. [Text] [Tokyo KYODO in English 0105 GMT 10 Sept 85 OW]

OFFICIAL TO VISIT ROK--Sapporo, 10 September KYODO--Justice Minister Hitoshi Shimasaki said Tuesday his deputy, Hiroshi Maeda, will be dispatched to Seoul next month to discuss the fingerprinting issue with South Korean officials. The fingerprinting requirement under Japan's alien registration law has become a prominent issue between the two countries, with South Korean residents in Japan criticizing the system as violation of human rights. Shimasaki, visiting here on a tour of inspection, told reporters his decision to send Vice Justice Minister Maeda to Seoul is a follow-up to a Japan-South Korea ministerial conference held in Seoul late last month. At the Seoul meeting, Foreign Minister Shintaro Abe pledged continued efforts to improve the fingerprinting system. Shimasaki said, however, the justice ministry is not considering any amendment to the law at this stage. He would not comment on reports that MINDAN, an organization of South Korean residents in Japan, decided Monday to go on a campaign to "refrain from" being fingerprinted for application or renewal of alien registration certificates. "I hope (all the foreign residents) will comply with Japanese law," Shimasaki said. [Text] [Tokyo KYODO in English 1259 GMT 10 Sept 85 OW]

DIPLOMATIC TIES MAINTAINED--Tokyo, 10 September KYODO--The government Monday agreed that it would maintain diplomatic ties with Nigeria under its new leader, Major General Ibrahim Babangida, who became the West African country's president following a military coup last month. The agreement came at Tuesday's cabinet meeting on a proposal by Foreign Minister Shintaro Abe. The Nigerian embassy in Tokyo sent a verbal note to the foreign ministry earlier this month, confirming unchanged friendship with Japan. In the coup, the new government replaced the 20-month-old leadership of Major General Muhammadu Buhari. Abe is expected to utilize the same level of diplomatic communication to notify Nigeria that Japan recognizes its new government. [Text] [Tokyo KYODO in English 0227 GMT 10 Sept 85 OW]

ARRIVAL OF USSR'S DEMICHEV--Tokyo, 11 September--Petr Demichev, Soviet minister of culture, will arrive in Tokyo Thursday for an eight-day visit at the invitation of the Japanese foreign ministry. During his stay here, Demichev will meet with Prime Minister Yasuhiro Nakasone, Foreign Minister Shintaro Abe and also make a familiarization tour of Japan. Topics to be taken up with Japanese leaders include a proposal for conclusion of a cultural agreement and Japan's request for a visit by Soviet Foreign Minister Eduard Shevardnadze, Japanese government officials said. Demichev is the first high-ranking Soviet official to visit Japan since Politburo member Dinmukhamed Kunayev visited Tokyo in autumn last year. [Text] [Tokyo KYODO in English 0822 GMT 11 Sept 85 OW]

MEXICAN PRESIDENT VISITS JAPAN--Tokyo, 10 September KYODO--Mexican President Miguel de la Madrid will visit Japan 6-9 October, the government announced Tuesday. De la Madrid will meet Emperor Hirohito, Prime Minister Yasuhiro Nakasone and attend a banquet hosted by the emperor 7 October, the government said in a statement. The 50-year-old president will be accompanied on his official visit to Japan by Foreign Minister Bernardo Sepulveda, Antonio Riva Palacio, President of the Grand Commission of the Senate and several other ministers. Also traveling with de la Madrid will be Mario Ramon Beteta, director general of Pemex, the state-run oil company, which supplies crude to Japan. [Text] [Tokyo KYODO in English 0151 GMT 10 Sept 85 OW]

TALKS WITH PLO REJECTED--Tokyo, 10 September KYODO--Israeli Foreign Minister Yitzhak Shamir called on Japan Tuesday to promote both political and economic relations, as the United States and West European countries have done with both Israel and Arab countries. Shamir made the call during a two-hour luncheon meeting with his Japanese counterpart Shintaro Abe, a Japanese foreign ministry official said. Abe told Shamir that Japan plans to strengthen its political and economic ties with Israel "step by step" in accordance with progress in middle east peace talks. In response to an Israeli invitation to visit the Jewish state, the Japanese foreign minister said he would go there if his visit makes big contributions to Mideast peace, according to the ministry official. Shamir complaining about "negligible" economic relations between the two countries, requested Japan's further efforts to follow the footsteps of the United States and West European countries to have close relations with both Israel and Arab states. The Japanese official said, however, Abe and Shamir "agreed on their disagreement" on the Mideast peace process. Japan calls for dialogue between Israel and the Palestine Liberation Organization (PLO). Shamir flatly rejected the Japanese suggestion, arguing the PLO is a group of "terrorists" who have denied Israel's right to exist, the foreign ministry official said. [Text] [Tokyo KYODO in English 0649 GMT 10 Sept 85 OW]

TOKYO EXPECTS HUNGARIAN PREMIER--Tokyo, 11 September KYODO--Hungarian Premier Gyorgy Lazar will arrive in Tokyo Tuesday for an official four-day visit, the first by a Hungarian leader, Japanese foreign ministry officials said Wednesday. They said Japan plans to use the unprecedented visit to expand its so far weak ties with Eastern Europe and help ease East-West tensions caused by U.S. and Soviet military buildups. At the same time, the officials said, Japan plans to take the opportunity to gauge both political and economic relations between the Soviet Union and the countries of Eastern Europe. Lazar will hold talks with Prime Minister Yasuhiro Nakasone on East-West and Japanese-Hungarian

relations Tuesday afternoon after his arrival in the morning. He will be received in audience Wednesday by Emperor Hirohito who will host a palace luncheon in his honor, the foreign ministry said. Foreign ministry officials noted that Hungary has been carefully experimenting with a market-oriented economic reform since 1968 while avoiding taking drastic political initiatives so as not to antagonize Moscow following the 1956 Budapest uprising. Soviet Politburo member Grigoriy Romanov warned at Hungary's Communist Party Congress last March that Hungarians should limit their ties to the West. Romanov lost the position in July. Lazar will visit the ancient capital of Kyoto next Thursday before leaving Japan the following day. [Text] [Tokyo KYODO in English 0818 GMT 11 Sept 85 OW]

REAGAN-NAKASONE MEETING EXPLORED--Tokyo, 11 September KYODO--Susumu Nikaido, vice president of the ruling Liberal-Democratic Party (LDP), said Wednesday he plans to sound out American leaders on a possible meeting between Prime Minister Yasuhiro Nakasone and U.S. President Ronald Reagan before next year's economic summit in Tokyo. Nikaido, who is going to Washington in early October, made the statement in a meeting with former Prime Minister Zenko Suzuki, LDP officials said. In Washington, Nikaido reportedly told Suzuki, he wants to exchange "frank views" with American Congress leaders on the current trade friction between Japan and the United States stemming from the huge deficit in U.S. trade with Japan. Nikaido told Suzuki that he will explain the Japanese government's plan to effectively implement the action program for market opening, which Tokyo announced in July, as well as another plan to encourage imports of American products. Nikaido also said he will propose that Reagan and Nakasone meet on the bilateral economic problems before the Tokyo summit of seven industrial democracies to be held in May next year. Nakasone is scheduled to hold talks with Reagan in late October when he goes to New York to attend the General Assembly of the United Nations. Nikaido's idea suggests that Nakasone should vigorously tackle the problem of U.S.-Japan trade friction by visiting Washington, presumably early next year, in addition to the October visit, LDP sources said. [Text] [Tokyo KYODO in English 0624 GMT 11 Sept 85 OW]

CSO: 4100/736

7 October 1985

## MILITARY

## TASK FORCE APPROVES DEFENSE SPENDING PROPOSAL

OW180121 Tokyo KYODO in English 0100 GMT 18 Sep 85

[Text] Tokyo, 18 Sep (KYODO)--A government task force Wednesday agreed to set Japan's defense expenditure for the next 5 years at 18.4 trillion yen after an all-night bargaining session between Defense Chief Koichi Kato and Finance Minister Noboru Takeshita, officials said.

The amount, which represents 1.04 percent of projected gross national product (GNP) for the period, is expected to be formally endorsed by the cabinet of Prime Minister Yasuhiro Nakasone in a special session Wednesday afternoon.

The figure breaches a government guideline dating from 1976 to hold defense spending within 1 percent of GNP, and the move is expected to trigger strong criticism from opposition parties.

The agreement on the size of defense outlays followed several rounds of talks which started at the Finance Ministry between Takeshita and Kato at around 8 pm Tuesday and ended at about 7:30 am Wednesday, with a break of less than 2 hours.

The venue of the talks later moved to the prime minister's official residence, where Foreign Minister Shintaro Abe and chief Cabinet Secretary Takao Fujinami joined in to try to help break the deadlock.

The government followed up the all-night meeting with another meeting involving leaders of the ruling Liberal-Democratic Party aimed at getting the party's official endorsement.

The amount of projected defense outlays is the centerpiece of a new 5-year defense plan which sets forth the government's defense policy, including military procurement and personnel costs.

Details of the agreement reached by the government task force are not immediately known.



The marathon negotiations, government sources said, largely reflected differences between the Finance Ministry and the Defense Agency over the issue of whether to include projected pay raises for the 250,000 self-defense force personnel in the defense plan. The pay raises, spread over 5 years, are expected to cost 350 billion yen.

Defense officials have insisted on taking the pay bill out of the defense plan, while the Finance Ministry has resisted the idea, apparently in a bid to contain overall defense outlays.

The 18.4 trillion yen defense projection falls short of the Defense Agency's original 19.3 trillion yen estimates on military procurement.

The new defense plan replaces the agency's procurement program known as the "mid-term defense program estimate," giving the Defense Agency more political clout in negotiating future budget appropriations.

CSO: 4100/755



MILITARY

TAKESHITA, KATO BEGIN DEFENSE SPENDING TALKS

OW171245 Tokyo KYODO in English 1150 GMT 17 Sep 85

[Report by Antonio Kamiya]

[Text] Tokyo, 17 Sep (KYODO)—Finance Minister Noboru Takeshita and Defense Agency Director General Koichi Kato began a final round of what are expected to be marathon talks Tuesday in a bid to iron out differences over the size of defense appropriations for the next 5 years.

The talks started after hints by Prime Minister Yasuhiro Nakasone that defense outlays—expected to total 18.5 trillion yen between 1986 and 1990—would exceed 1 percent of Japan's gross national product.

Nakasone reportedly raised the possibility in a meeting with Yohei Kono, leader of the New Liberal Club, when he said "there is possibility" that the longstanding "1 percent" rule would be breached under a proposed 5-year defense spending plan.

Nakasone's remarks were quoted by Kono, who told reporters later that he called on the prime minister to keep defense spending within the 1 percent guideline. Kono's party is the junior coalition partner of the ruling Liberal-Democratic Party.

The Takeshita-Kato meeting, which started at around 8:20 pm at the Finance Ministry, was held against the background of a government-set deadline to integrate the projection of defense spending into the 5-year plan, which will be formally endorsed by the cabinet Wednesday.

Political sources said both Takeshita and Kato were digging in for a long session, both sides apparently set to win political points.

The 5-year plan replaces a Defense Agency weapons shopping program known as the "mid-term defense program estimate," giving the agency more political clout in negotiating annual budgets. The plan sets forth the targets of defense spending over the 1986-90 period, both in terms of weapons procurement and personnel expenditure.

Finance and Defense Ministry officials are said to have agreed on the basic outline of weapons procurement. However, one question dividing the two departments reportedly is the issue of pay, specifically the question of whether to include annual pay-rises for the 250,000 members of the self-defense forces in the new defense plan. The pay increments are expected to cost roughly 350 billion yen over the 5-year period.

The Defense Agency, in a bid to win a bigger budget share, has argued that pay increments should not be included in the defense plan while the Finance Ministry has resisted the Defense Agency idea, government sources said.

However, there have been suggestions within the LDP that the government will eventually set the figure at around 18.5 trillion yen as a compromise between the two feuding government agencies.

The Defense Agency has projected 19.3 trillion yen for defense spending over the 5-year period while the Finance Ministry wants to hold appropriations below 18 trillion yen.

At 18.5 trillion yen, the defense projection--according to LDP projections--would slightly exceed 1 percent of Japan's projected GNP for the 1986-90 period. The current defense budget stands at 3.14 trillion yen, or 0.997 percent of the projected GNP for fiscal 1985.

Both LDP and government officials, however, have brushed off the link between projections of military spending and GNP, arguing that the "1 percent" rule applies to annual budgets only.

Besides, they have also argued the long-term economic forecasts are too vague to serve as a precise yardstick for defense spending calculations.

Government officials are wary of any suggestion that the defense spending plan would exceed the 1 percent limit as Nakasone has publicly promised to "respect" the 1976 government guideline.

CSO: 4100/755

7 October 1985

## NAKASONE HINTS DEFENSE SPENDING WILL TOP CEILING

OW170441 Tokyo KYODO in English 0427 GMT 17 Sep 85

[Text] Tokyo, 17 Sep (KYODO)--Prime Minister Yasuhiro Nakasone hinted Tuesday that defense outlays will exceed 1 percent of Japan's gross national product (GNP) over the next 5 years. Nakasone made the statement as finance and defense officials are seeking to define the defense spending target for the 5-year period.

Yohei Kono, leader of the New Liberal Club, said Nakasone raised the possibility that the longstanding limit would be breached in a meeting at the prime minister's official residence Tuesday morning. Kono told reporters after the meeting he had called on the prime minister to urge the government to keep defense spending within the "1 percent GNP" guideline. Kono's party is the junior coalition partner of the ruling Liberal-Democratic Party (LDP).

Nakasone was quoted as telling Kono he will "make efforts" to adhere to the 1976 guideline but it could be exceeded under the proposed 5-year defense spending plan.

Nakasone made the comments as senior officials from the Defense Agency and the Finance Ministry raced to hammer out 1986-90 defense spending projections in time for the government to reach a decision Wednesday.

The cabinet has agreed to meet Wednesday and formally endorse the plan as an official government program after the Defense Agency and Finance Ministry come to an agreement on the spending level. Making it a government program will give the Defense Agency more political leverage in negotiating future annual budgets.

The Wednesday deadline has set the stage for a round of intense bargaining between Finance Minister Noboru Takeshita and Defense Agency Chief Koichi Kato later Tuesday as officials from the two departments were reportedly at loggerheads over the size of defense appropriations.

The Defense Agency has projected 19.3 trillion yen for defense spending over the 5-year period while the Finance Ministry wants to hold appropriations below 18 trillion yen.

There have been suggestions within the LDP that the government will eventually set the figure at around 18.5-18.6 trillion yen as a compromise between the two feuding government agencies. At 18.5-18.6 trillion yen, the defense spending projection would slightly exceed 1 percent of Japan's projected GNP for the 1986-90 period.

MILITARY

BRIEFS

DEFENSE SPENDING LIMIT REMOVAL--At the JSP Central Committee session today, JSP Chairman Ishibashi made it clear that the JSP would be ready to call for a vote of confidence in the Nakasone cabinet on the issue of the one-percent-of-the-GNP defense spending ceiling, saying that all possible measures would be taken to force an appeal to the confidence of the whole nation if a draft budget with the defense spending exceeding one percent of the GNP should be proposed. The Central Committee held its session today to make preparations for the extraordinary Diet sessions in the fall and to deal with the future political situation. In his greeting speech, Chairman Ishibashi said: [Begin Ishibashi video recording] I think we should strengthen our struggles both within and outside of the Diet and strive to bring down the Nakasone cabinet. To safeguard the one-percent-of-the-GNP ceiling, we are ready to cooperate with any other parties of factions. Moreover, I would like to explicitly declare here that when a draft budget with defense spending exceeding one-percent-of-the-GNP is proposed, every possible measure will be taken in our struggle for an appeal to the confidence of the whole nation. [End recording] Thus, Chairman Ishibashi made it clear that the JSP would be ready to call for a vote of confidence in the Nakasone cabinet on the issue of the one-percent-of-the-GNP ceiling on defense spending. [Text] [Tokyo NHK Television Network in Japanese 0310 GMT 11 Sep 85]

MINISTERS COMPROMISE ON SPENDING--Tokyo, 18 Sep (KYODO)--Defense Chief Koichi Kato and Finance Minister Noboru Takeshita wound up an all-night bargaining session Wednesday that set Japan's defense expenditure at 18.4 trillion yen over the next 5 years, officials said. The decision is expected to be formally endorsed by the government at the defense conference and a cabinet meeting Wednesday afternoon. The amount agreed represents 1.04 percent of Japan's projected gross national product for the 1986-90 period. [Text] [Tokyo KYODO in English 2359 GMT 17 Sep 85]

ANTIMISSILE DEFENSE PREPAREDNESS--Tokyo, 17 Sep (KYODO)--Masayuki Fujio, chairman of the policy board of the ruling Liberal-Democratic Party, Thursday called on Prime Minister Yasuhiro Nakasone and suggested that Japan should promote its defense capability to meet the present world trend toward missile deployment. Fujio called on Nakasone at the prime minister's official residence to discuss the key current issue involving the size of the nation's spending for defense purposes over the next 5-year period. The LDP official told the prime minister that Japan at

present places emphasis only on its land-warfare defense capability. Japan must reform and rationalize its present defense system in terms of both structure and equipment, Fujio said. Nakasone asked Fujio for cooperation in the current effort to hammer out a consensus between the government and the party over defense spending for the 1986-90 period. According to high-ranking LDP officials, the party is likely to agree on a figure of around 18 trillion yen for total defense spending over the 5-year period. Even at the 18 trillion yen level, Japan's defense spending will not exceed 1 percent of the nation's gross national product projected for the coming 5-year period, the officials said. [Text] [Tokyo KYODO in English 1158 GMT 17 Sep 85]

DEFENSE PROGRAM MAY EXCEED LIMIT--Tokyo, 12 Sep (KYODO)--The government is due to approve the Defense Agency's new 5-year defense buildup program next week though it is expected to cost 18.6 trillion yen and exceed the long-standing ceiling on defense spending, government and Liberal-Democratic Party (LDP) sources said Thursday. Prime Minister Yasuhiro Nakasone said last week he will "respect to best of his ability" the 1976 government policy holding down Japan's annual defense spending below 1 percent of its gross national product (GNP) for a particular year. He personally favors removing this ceiling. The proposed 18.6 trillion yen defense spending represents 1.05 percent of GNP currently projected for the 5-year period. The defense program is expected to become a hot issue in the next Diet session to be convened in October. The government has already decided to upgrade the status of the defense agency's program to a government program. [Text] [Tokyo KYODO in English 0915 GMT 12 Sep 85]

CSO: 4100/755



## ECONOMIC

### LABOR MARKET OUTLOOK TO YEAR 2000 DESCRIBED

Tokyo SEISAKU TOKUHO in Japanese 20 Jun 85 pp 39-59

[Summary of study by the Economic Planning Agency, "Labor Market To Continue Chaotic Through the Year 2000", published 22 May 1985]

[Text] The Economic Planning Agency on 22 May published a report, "Labor Market To Continue Chaotic Through the Year 2000", investigating the manner in which Japan's labor market will change in the future.

This survey was entrusted by the Economic Planning Agency to the Social Development Research Institute (Haruo Kitamura, director), which sampled personnel directors of companies listed on the Tokyo Stock Exchange and government-related organizations (the sample size was 1,557; 482 responses were received). The survey was included in the report along with research and studies from labor problem experts.

According to the report, the seniority system of wages and rank, which had been the main pillar of Japanese employment practice, is being completely demolished, and the era is coming to an end in which positions were guaranteed if one graduated from college and went into a company. The so-called "baby boom generation", born between 1947 and 1949, in spite of their oppressive numbers, benefitted from excellent employment opportunities, under such good conditions as the labor shortage caused by the high growth era; but the report warns that the "second baby boom generation", which consists of their children, will confront restricted employment opportunities.

Based on this analysis, the report proposes three approaches as concrete means to meet such a difficult situation: (1) the fostering of a climate wherein a worker can be independent from his corporation through continual personal enlightenment and personal investment; (2) the establishment of holidays as a way of personal investment; and (3) the foundation of a system of employment for experts by specialty sector.

In addition, this survey provided extremely interesting analyses, surveys, and points. Below is a summary of its findings.

## Chapter 1. Actual Status of Dual Structure of Wages

### True Nature of Wage Differential Expansion

The fact that wage differential by size of company has been expanding again since 1975 has been pointed out. For example, according to the Ministry of Labor's "Monthly Labor Statistics", the wage differential, which treats as 100 the regular wages for firms larger than 500 persons, has widened by 4.3 points in relation to firms with 100 to 499 employees (from 90.9 to 86.6) and by 7.2 points in relation to firms with 30 to 99 employees (from 85.8 to 78.6). Because of this expansion of the wage differential, a debate is going on within Japan that the dual structure is being revived. However, this "new dual structure theory" shows a confused understanding of the situation in that it ignores the makeup of the labor force in its calculations of the labor differential.

According to the Ministry of Labor's "Wage Census", taking a calculation of the wage differential by combining the makeup of the labor force in the large companies in 1975 with their fixed wages, the wage gap for medium-sized firms widened a mere 1.8 points from 93.2 percent in 1975 to 91.4 percent in 1983. On the other hand, it did not widen for small firms (88.8 percent in 1975 and 88.9 percent in 1983). In other words, the true nature of the expansion of the wage gap since 1975 is that the wage gap is apparently expanding because of the shift in the age composition of the workforce to middle-aged workers, who differ greatly in wages, and because of part-time workers, who have low wages, being absorbed by the small- and medium-sized companies. Moreover, the present low wage structure of part-timers is of a different nature than the labor force between 1955 and 1965, which worked in small- and medium-sized firms that had low wages. However, the important thing in this is that the external labor market for part-timers is expanding rapidly. In other words, the present dual structure is not between small- and medium-sized enterprises on the one hand and big enterprises on the other, but is caused by the internal labor market protected by lifetime employment and the external labor market of part-timers.

### Employment Structure of the Year 2000

How will the balance between the internal labor market and the external labor market change by the rapid increase of the external labor market of part-timers? Moreover, how is the employment structure by specialty changing by the development of a service economy and the progress of ME [Management Engineering]? In order to clarify this, the report arranged the 11 classifications of jobs in the "Basic Survey of Employment Structure" into 3 sectors (the Research and Development and Administrative Technology and Production Technology Sector, the Plant and Office Sector, and the Sales and Service Sector) and calculated the employment structure by sector for the year 2000 (see Figure 1).

If we look at the changes in the employment structure by sector between 1982 and 2000 by totalling regular and irregular employment, we find that there will be an increase of 2.95 million persons in the Research and

and Development Sector, an increase of 1.33 million persons in the Sales and Service Sector, and an increase of 1.06 million persons in the Plant and Office Sector. However, judging from the increase or decrease of regular employees, although the Research and Development Sector will increase by 2.4 million persons, the Sales and Service Sector will decline by 860,000 persons, and the Plant and Office Sector will decline greatly by 4.4 million persons.

In other words, it is closer to the truth that as long as the number of irregular employees expands at its present pace, the internal labor market will shift greatly between sectors. Furthermore, the internal labor market's balance with the external labor market, which stands presently at 6 to 1 will change by 2000 to 3 to 1.

## Chapter 2. Transformation of Japan's Employment Practices

Great changes are said to be taking place in Japan's internal labor market--in other words, Japan's employment practices--in the midst of this rapid expansion of the external labor market. The report captures quantitatively how the impact of aging and higher education of the labor force is changing the seniority wages and seniority ranking system, which has been the main pillar of Japan's employment practices.

### Outlook for Wages by Seniority

Can the seniority wage system be maintained under the aging and higher level of education of the labor force? The factor that has been correcting the seniority wage curve is personnel costs. This report estimates the extent to which maintaining the present seniority wage curve will be a burden on future personnel costs (see Table 1).

As a result, if we maintain the present wage system, by the year 2000, it is estimated that the average annual cost will increase 0.7 percent because of the aging and higher level of education of the labor force. Moreover, if we consider that part-timers will increase, then under certain premises, the cost burden will increase by 0.3 percent a year. Therefore, the report believes that the rise in the cost of labor by maintaining the seniority wage system can be fully absorbed under appropriate economic growth.

### Outlook for Seniority Ranking

At present, the rate of stationary employees in companies is increasing in concert with the progress of aging. If we define the stationary employee class as persons who have not changed their jobs once since the age of 25 and calculate the change in the composition of the stationary employee class in the future, we find that the stationary employee class maintained a pyramid model in 1980, but that in 1990, when the baby boom generation will be between 40 and 44 years of age, the shape of the pyramid begins to crumble, and that by 2000, a completely cylindrical-shaped model has been formed. Moreover, the number of women in the stationary employee class will steadily increase (see Figure 2).

Next, let us see if the treatment of positions up to now is possible for the explosive increase of such a stationary employee class. First of all, judged by academic background, the proportion of stationary employees in the 45 to 49-year-old age bracket that will be department and division directors will hardly change from 36.9 percent at present to 36.6 percent in 2000. On the other hand, in the 50-54 year-old bracket, this will be cut in half from the present 39.2 percent to 20.0 percent in 2000 when the baby boom generation hits that age bracket.

However, since we have not considered the distribution of positions by age, the percentage of department and division directors in the 45- to 49-year-old age class will, in fact, be lower than this, and that of the 50- to 54-year-old age class will be higher than this.

Next, let us look at the percentage of male college graduates in department and division director positions. According to Figure 3, the percentage of department and division directors in the 45- to 49-year-old class is presently 72.1 percent. This will drop by 2000 to 50.1 percent. Moreover, in contrast to the 91.8 percent of the persons in the 50- to 54-year age bracket who are department and division heads, this number will decline to 26.6 percent, or one person in four, by 2000. The era is already ending where positions of substance will be guaranteed if one graduates from college and joins a company.

### Chapter 3. Changes in the Production Structure and Employment Structure and the Future of the Labor Market

In addition to the destruction of seniority ranking system, which will accompany the aging labor force as discussed previously, two other large factors that will impact on the labor market by the year 2000 are the progress of ME and the entrance of the second baby boom generation into the labor force.

#### Progress of ME and Its Impact

The Japanese economy is of a different nature than the pattern of the high growth era, and is greeting a new, medium growth era. What bolstered this medium growth was the realization of the high value-added change from the mass production of few types of products in the high growth era to the small volume runs of many types of products (or mass production of many types of products). Such a change to many products involves the field of distribution and service as well as the manufacturing industries, and is the mainstream of present-day industry. And, it is the progress of ME that is holding up this mainstream in the technological area. FMS (factory manufacturing systems) of the manufacturing industries and POS (point of sales) of distribution are making possible careful responses to the variety of consumption. Electronics parts, such as LSI's (large-scale integrated circuits), are continuing to drop in price rapidly, and there is no doubt that ME will play a central role in the future transformation of industry.



However, pessimistic and optimistic theories stand side-by-side about the sort of impact that the progress of ME will have on the amount of employment, and a conclusion will not be reached suddenly. Moreover, it cannot be predicted with certainty that this will bring about more mobility in the labor market. Two sides appear in this increased mobility. First, the increased mobility in the internal labor market of companies. This, as shown previously, is apparent from the decline of the Plant and Office Sector labor force and the increase of the Research and Development and Administrative and Production Technology Sector. The increasing mobility of the internal labor market is the redistribution of positions. In the future, it is predicted that a large redistribution of positions will occur. Secondly, in the future, there will be a further mobilization of the external labor market accompanying the large increase of moonlighters, part-timers, and labor force on detail.

#### Entrance of Second Baby Boom Generation in the Labor Market

Previously, it was pointed out that the destruction of the seniority ranking system was unavoidable as the labor force ages. Needless to say, the destruction of this ranking system will be further accelerated by the shift of the baby boom generation from their present age (later 30's) to their age in 2000 (early 50's). The baby boom generation of 1947 to 1949, for example, the population born in 1949 consists of 900,000 people, 60 percent more than the people born in 1957, which was the lowest level.

However, there is another problem for Japan in addition to this question of the baby boom generation. That is the problem of the second baby boom generation, who are their children. The second baby boom generation are children born between 1971 and 1974. At their peak, they reached about 560,000, an increase of 37 percent over the number of people born in 1957. This does not stick out as sharply as the baby boom generation, but the base of the mountain is widening around that; if we include the period just before and after, this second baby boom generation will have a demographic impact identical to that of the first baby boom. In addition, this second baby boom generation, along with the destruction of the seniority ranking, will have a very great impact on the nation's labor market.

Figure 4, on the basis on a Ministry of Health and Welfare future population estimate, determines the percentage of children entering school in March 1984 and the employment rate for men and women separately, and then estimates the number of people who will be entering the labor market as new academic graduates.

According to this, in 1992, when the number of newly employed will reach its peak in comparison to the 1.08 million newly employed in 1985, the number will increase by 240,000, or 23 percent, and the number of newly employed will be 1.32 million people. When we look at the number of new school graduates by level of education, high school, junior college, and college graduates will all reach their respective peaks between 1991 and 1995. The number of newly employed during the peak year, in contrast with 1985, will be an increase of 21 percent for junior college graduates, 24 percent



for college graduates, and 32 percent for high school graduates. The high school graduates, who have the greatest weight in the number of newly employed, will have the greatest increase.

As indicated in Figure 4, the multiplier of job advertisements for new high school and college graduates, which was 4.0 in 1971, has subsequently declined in spite of the drop off in graduates. In 1984, it was 1.6.

In the future, when we take into account both that the information society and ME will progress and that the demand for labor will shift towards technicians, it will probably be impossible to absorb all of that large mass of high school graduates as regular employees. According to a questionnaire, the percentage of firms stating that hiring capable of absorbing the baby boom generation would be "absolutely impossible" or "probably impossible" for the following groups: (1) male college graduates, 57.1 percent, (2) female college graduates, 75.3 percent, (3) female junior college graduates, 73.6 percent, (4) high school female graduates, 76.8 percent, and (5) high school male graduates, 77.8 percent. This is an extremely high percentage rate.

The baby boom generation, in spite of its overwhelming numbers, benefited from excellent job opportunities when looking for employment because of the labor shortage caused by the high growth. However, under the future stable growth, the sudden increase of the elderly class and the increase of the youthful labor force at the same time will have a serious impact on the job opportunities of the younger generation.

#### Future Handling

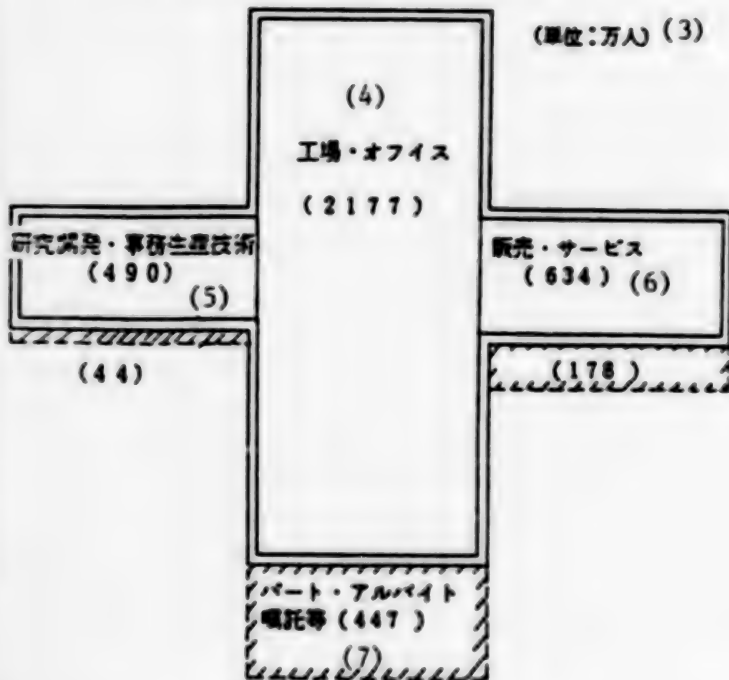
By the year 2000, extremely difficult situations in the labor market will be piling up one on top of another, such as the destruction of seniority ranking and the entrance of the second baby boom generation in the labor market. The report proposes, as concrete measures to meet such situation, the establishment of holidays as an area of self-investment and the foundation of a system for organizing experts by specialty sector.

#### Establishment of Holidays as an Area of Self-investment

Corporations, in order to maintain the pyramid-shaped employment structure, are inclined towards increased mobility of the middle-aged labor force. However, the changing of jobs within the middle-aged labor force is extremely difficult under the current situation. The main reason for that is because, under the lifetime employment system, so-called "company men" are created, who only circulate within the specific company, and a majority of the middle-aged class do not have the specific abilities needed as selling points to change jobs. However, since seniority ranking is becoming more difficult within the companies, it will be necessary for the workers to aim to break away from the "company men" image. To achieve that, it would be desirable for workers to continually carry out self-investment and self-enlightenment and foster their personalities independent of the company, by means of attending schools and study groups,

The sectoral expert profession system is a conceptual change from the fostering of "generalists," which the firms had been carrying out, or the fostering of "closed expert positions," which could not circulate outside that firm, to the fostering of "open expert positions," where a change of jobs is possible. The introduction of this system will make the self-reliance of the middle-age bracket possible on the one hand, while enabling the entire work force to find pride and value in their work on the other.

(1) 昭和57年の部門別雇用構造



(2) 昭和75年の部門別雇用構造

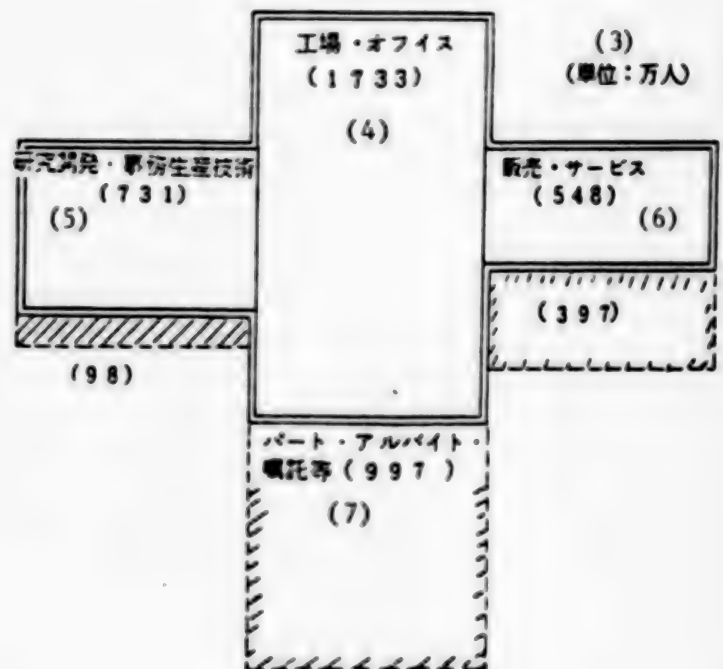


Figure 1.

Key:

1. 1982 employment structure by sector
2. 2000 employment structure by sector
3. Unit: 10,000 people
4. Plant and office
5. Research and development, and administrative and production technologies
6. Sales and service
7. Part-timers, moonlighters, commissioned employees, etc.

(1) (単位: 万人、千円)

		男 (2)	女 (3)	計 (4)	
(5)	1980 年	労働者数	1,324	603	1,927
(6)		1人当りコスト	3,983	2,127	3,402
	1990 年	労働者数	1,535	755	2,290
		1人当りコスト	4,302	2,299	3,642
	2000 年	労働者数	1,652	886	2,538
		1人当りコスト	4,583	2,557	3,876

(7) (増加率)

	1980→2000年	1980→1990年	1990→2000年
(8) 男女計	13.9% (年平均0.7%)	7.1% (0.7%)	6.4% (0.6%)
(9) 男	15.1% (0.7%)	8.0% (0.8%)	6.5% (0.6%)
(10) 女	20.2% (0.9%)	8.1% (0.8%)	11.2% (1.1%)

(11) (資料) 労働省「賃金センサス」

Table 1. Number of Workers and Increase of Personnel Costs per Person

Key:

1. Units: 10,000 people; 1,000 yen
2. Men
3. Women
4. Total
5. Number of workers
6. Cost per person
7. Rate of increase
8. Total of men and women
9. Men
10. Women
11. Source: Ministry of Labor, "Wage Census"

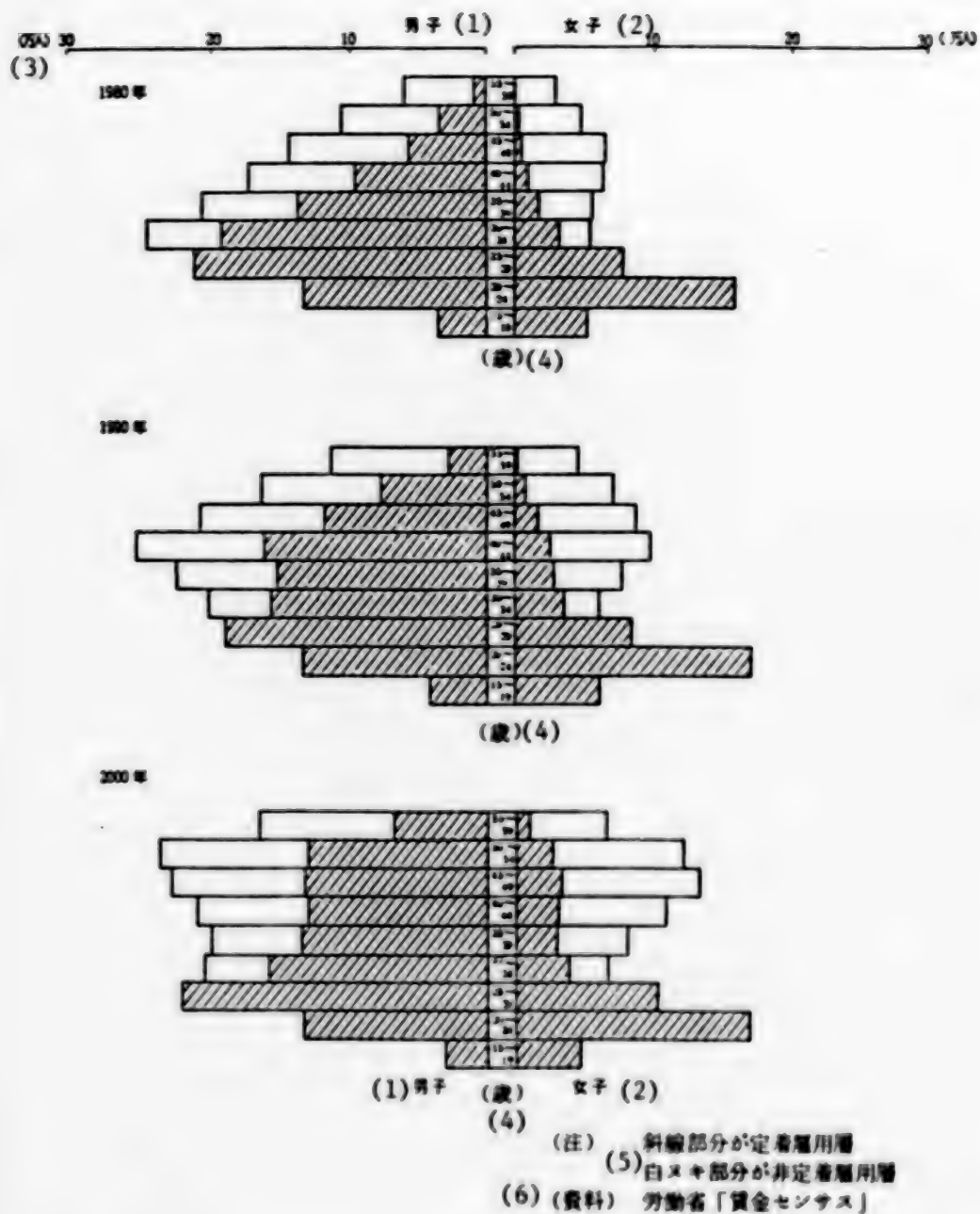


Figure 2. Number of Workers in "Wage Census" and Future Outlook of Stationary Employment Class

Key:

1. Men
2. Women
3. Unit: 10,000 people
4. Years of age
5. Note: The shaded portion is the stationary employment class, and the white portion is the non-stationary class.
6. Source: Ministry of Labor, "Wage Census"

(1) (45~49歳) (2) 大卒(男子、産業計) (3) (50~54歳)

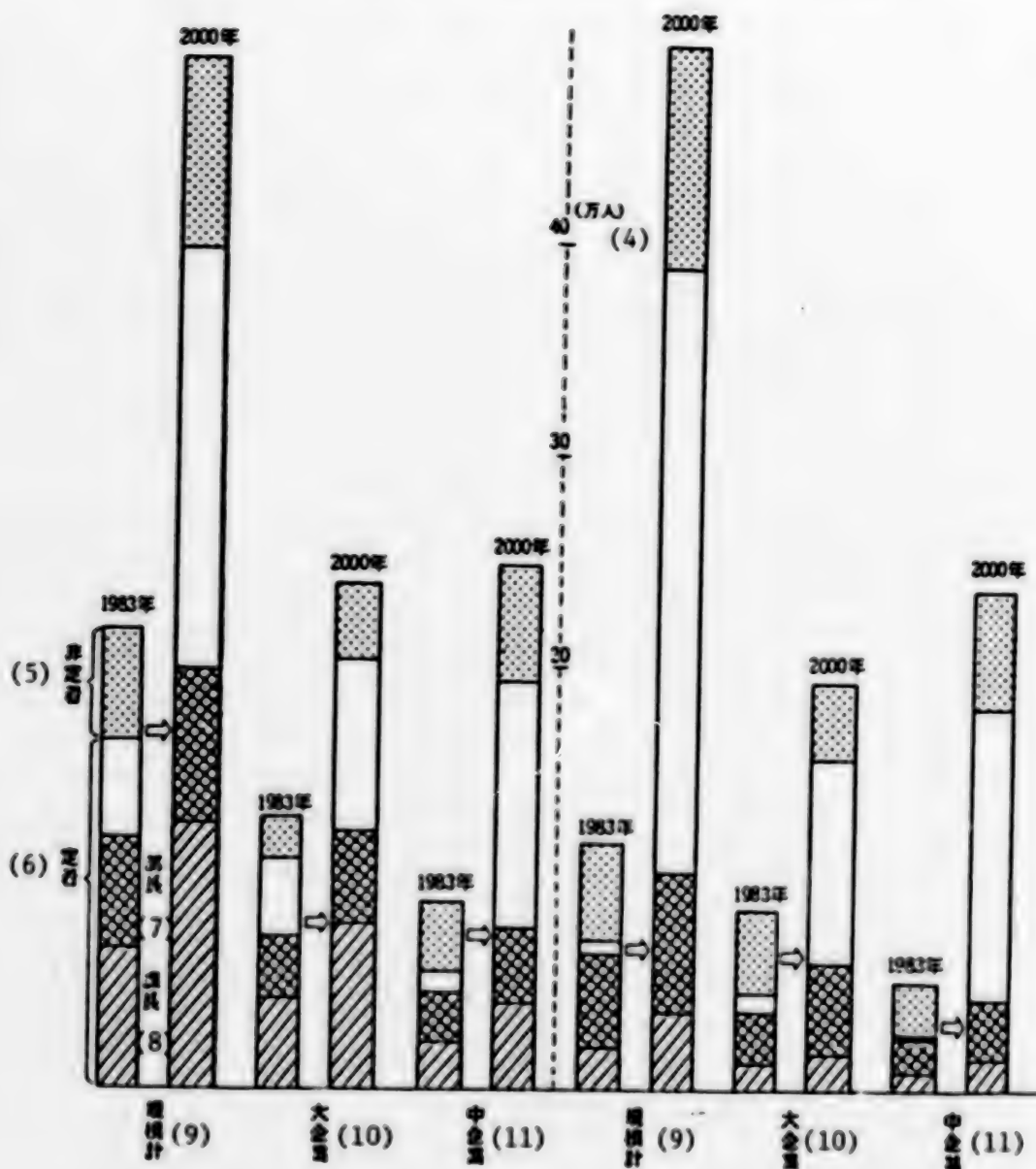


Figure 3. Forecast of Future Employment Structure (College Graduates)

Key:

1. 45-49 years old
2. College graduates (males, industry total)
3. 50-54 years old
4. 10,000 people
5. Non-stationary
6. Stationary
7. Department director
8. Division director
9. Size total
10. Large firms
11. Medium firms



(単位: %) (1)

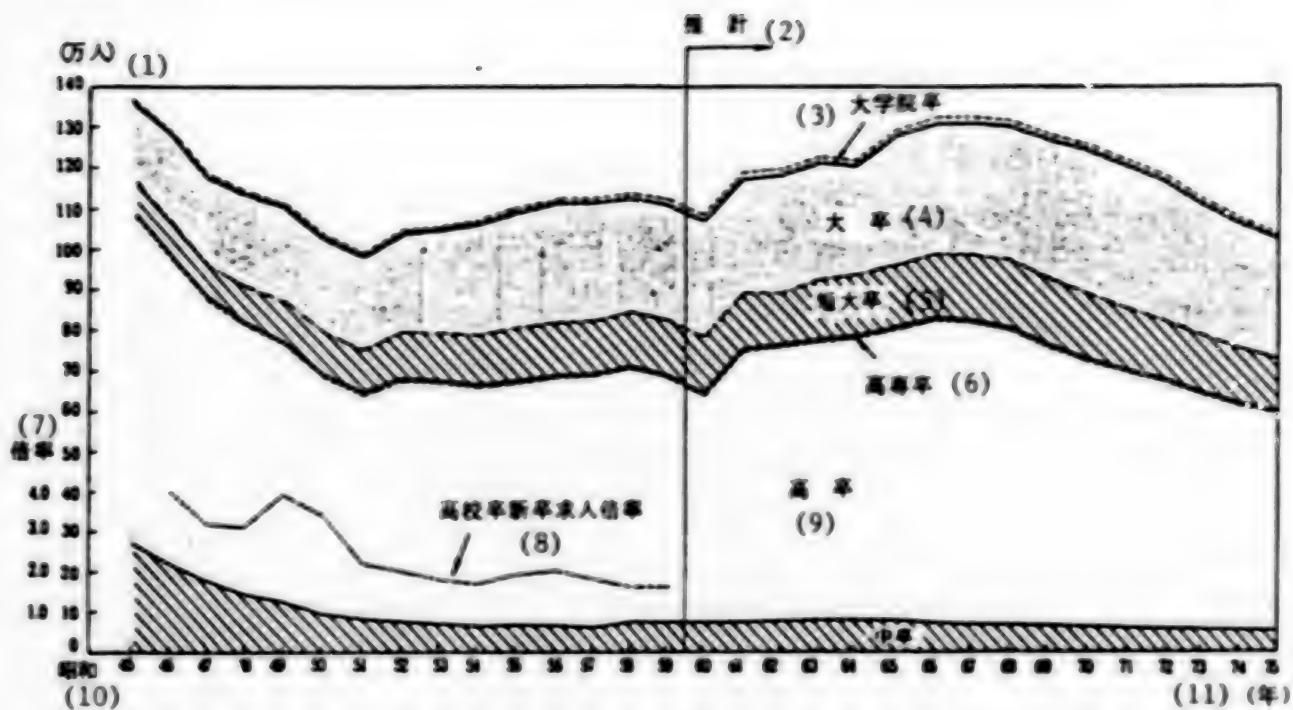
		45～49歳 (2)						50～54歳 (3)					
		規模計(4)		大企業(5)		中企業(6)		規模計(4)		大企業(5)		中企業(6)	
		1983年	2000年	1983年	2000年	1983年	2000年	1983年	2000年	1983年	2000年	1983年	2000年
(7)	部長	31.5	19.7	26.7	21.5	40.7	17.8	62.1	16.9	53.8	18.0	77.9	15.6
(8)	課長	40.6	30.4	40.2	38.7	41.4	21.7	29.8	9.7	27.8	11.2	33.6	8.1
(9)	部・課長	72.1	50.1	66.9	60.1	82.2	39.5	91.8	26.6	81.6	29.2	111.5	23.6

(10) (資料) 労働省「賃金センサス」

# Proportion of Department and Division Directors in the Stationary Class

## Key:

1. Unit: %
2. 45-49 years old
3. 50-54 years old
4. Size total
5. Large firms
6. Medium firms
7. Department director
8. Division director
9. Department and division directors
10. Source: Ministry of Labor, "Wage Census"



資料：厚生省人口問題研究所「将来人口新推計」1981年11月  
 (12) 文部省「学校基本調査」  
 労働省「労働統計要覧」

Figure 4. Shift of and Outlook for the Number of New Graduates Hired

Key:

1. 10,000 persons
2. Estimated total
3. Graduate school graduates
4. College graduates
5. Junior college graduates
6. Special high school graduates
7. Multiplier
8. Job advertisement multiplier for new high school graduates
9. High school graduates
10. Showa 45 = 1970, 46 = 1971, etc.
11. Year
12. Source: Ministry of Health and Welfare Population Problem Research Institute, "New Estimates of Future Population" November 1981  
 Ministry of Education, "Basic School Survey"  
 Ministry of Labor, "Labor Statistics Handbook"

問14. 第2次ベビーブーム世代が就職期を迎えるため、昭和67年から

- (1) 昭和70年にかけて新卒の就職者が今年の3月に比べて高卒で32%、短大卒で21%、大卒で24%、増加することが予想されます。貴社では、この時期に本年の採用に比べて、高卒を32%、短大卒を21%、大卒を24%多く採用することが可能だと思いますか。学歴別、男女別にお答え下さい。

		<div style="border: 1px solid black; padding: 5px; text-align: center;"> (2) 高 (3) 卒 (4) 男子 女子 </div>		<div style="border: 1px solid black; padding: 5px; text-align: center;"> 短大 卒 (5) 女子 </div>	<div style="border: 1px solid black; padding: 5px; text-align: center;"> 大 卒 (6) 卒 (7) (8) 男子 女子 </div>
(9)	絶対に不可能だと思う	185%	187%	151%	79% 189%
(10)	おそらく不可能だと思う	593	581	585	492 564
(11)	おそらく可能だと思う	166	176	212	378 185
(12)	確実に可能だと思う	12	17	2	41 29
	N.A	44	39	25	10 33

Key:

1. Question 14. Because the second baby boom generation will be reaching employment years, the number of new hires from the school graduate ranks between 1992 and 1995 will be 32 percent higher than March of this year for high school graduates, 21 percent higher for junior college graduates, and 24 percent higher for college graduates. Do you think it possible that your company will hire 32 percent more high school graduates, 21 percent more junior college graduates, and 24 percent more college graduates than you hired this year? Please answer by level of education and by sex.
2. High school graduate
3. Males
4. Females
5. Junior college graduates; females
6. College graduates
7. Males
8. Females
9. I think it would absolutely be impossible.
10. I think it would probably be impossible.
11. I think it would probably be possible.
12. I think it is a certainty.

表 2 昭和 58 年の休日・休暇日数

(1) (単位: 日)

(2) 休日総数 (A)	(3) 週休以外の休日日数 (B)					週 休 (A) - (B) (4)	年次有給 休 暇 (5)	年間休日 休暇日数 (6)
	国民の祝日	年末年始	夏期休暇	その他	計			
924	(7) 9.7	(8) 4.3	(9) 3.2	(10) 2.3	(11) 19.5	729	88	101.2

(12) (注) 週休日数については (A) - (B) として社会開発研究所で算出

(13) (資料) 労働省「賃金労働時間制度総合調査報告」

Table 2. Number of Holidays and Days Off in 1983

Key:

1. Unit: days
2. Total number of holidays
3. Number of holidays exclusive of the weekend
4. Weekend
5. Annual paid days off
6. Number of annual holidays and paid days off
7. National holidays
8. New Year's
9. Summer holidays
10. Miscellaneous
11. Total
12. Note: The number of weekend holidays is calculated by the Social Development Research Institute as (A)-(B)
13. Source: Ministry of Labor, "Comprehensive Survey of the Hourly Wage Labor System"

(参 考) (1)

年間休日、休暇日数及び年間総実労働時間の国際比較

(2)

(原則として製造業労働者、1983年)

(3)

		年間休日、休暇日数 (4)	年間総実労働時間 (5)
(6)	日 本	112 日	2152 時間
(7)	アメリカ	132	1898
(8)	イギリス	135	1930
(9)	西ドイツ	145	1613
(10)	フランス	137	1657

(11) 注1. 労働省労働基準局賃金福祉部企画課推計

2. 本表は報告書には掲載されていないが、参考のために示した。

3. 本表は国際比較のため製造業のみを対象にしているので、

全産業の表2とは一致しない。

Key:

1. Reference
2. International Comparison of Annual Holidays, Days Off, and Annual Total of Real Hours of Labor
3. In principle, manufacturing laborers for 1983
4. Annual holidays and days off
5. Real hours of labor per year
6. Japan
7. United States
8. Great Britain
9. West Germany
10. France
11. Notes: 1. Estimate of the Planning Division, Wage Welfare Department, Labor Standards Bureau, Ministry of Labor  
2. This table is not being published in the report, but is shown here for reference.  
3. This table takes only manufacturing industries as its subject for international comparison. It is not in full agreement with Table 2 for all industries.



ECONOMIC

FINANCE MINISTRY RECEIVES 1986 BUDGET REQUESTS

OW310813 Tokyo KYODO in English 0652 GMT 31 Aug 85

[Text] Tokyo, 31 Aug (KYODO)--The Finance Ministry Saturday received fiscal 1986 budgetary requests from all government ministries and agencies which, along with debt servicing costs and tax grants to local governments, totaled about 56.39 trillion yen, 7.4 percent higher than the original fiscal 1985 budget.

The ministry originally planned to make a 10 percent cut in general administrative expenses across the board but it had to accommodate a 7.0 percent increase in the defense budget and an 8.1 percent rise in the Foreign Ministry request, which includes a 10.4 percent increase in overseas aid.

Among other reasons for the 7.4 percent budgetary increase is an expected 26.9 percent surge in the cost of government bond redemptions and interest payments.

The ministry said Friday that debt servicing is expected to cost a total of 12.97 trillion yen in fiscal 1986.

The ministry is expected to complete its work on the budget by the end of this year, and will attempt to hold down the budget to some 54 trillion yen.

Of the budget requests, general expenditure--total expenditure minus bond servicing costs and grants to local autonomies--amounted to 33.06 trillion yen, an increase of 1.5 percent over the current fiscal year.

Appropriations requests under the fiscal investment and loan program, a companion budget in Japan's two-tier budget system, totaled some 21.36 trillion yen, up 2.4 percent. The ministry plans to slash the requests to a level lower than the current year's 20.86 trillion yen.

Administrative bodies, which are trying to minimize their budgetary requests in accordance with the Finance Ministry's budget guidelines, are calling for an increase in the financial burden on the public.

The calls include suggested increases in Japan national railways fares, public college tuition fees and charges for old people's medical costs.

If the Finance Ministry approves the requested 3.36 trillion yen for the defense budget, the Defense Agency plans to purchase a new Patriot surface-to-air missile system, 12 P3C anti-submarine patrol planes, 18 F15 fighters, four helicopters for minewsweeping operations and other hardware.

The Foreign Ministry request includes an increase of 10.4 percent to 303.7 billion yen in official development assistance (ODA) to initiate a new 7-year ODA plan starting next year.

The ministries and agencies are expected to have tough negotiations with the Finance Ministry to win the proposed appropriations.

CSO: 4100/745

ECONOMIC

GOVERNMENT PANEL MULLS PUMP-PRIMING MEASURES

OW041130 Tokyo KYODO in English 0657 GMT 4 Sep 85

[Text] Tokyo, 4 Sep (KYODO)--A government task force agreed Wednesday to consider ways of stepping up housing construction, corporate capital investment and consumer spending to boost domestic demand, a move aimed at holding down Japan's swelling trade surplus by encouraging imports.

The agreement was reached at a meeting of a working committee on expansion of domestic demand, chaired by Ippei Kaneko, director general of the Economic Planning Agency, officials said. The agency's deputy head, Shoichi Tanimura, briefed the committee on pump-priming measures proposed to him by Prime Minister Yasuhiro Nakasone Tuesday.

Tanimura met Nakasone to report on the work of the committee, established after the government announced a 3-year market-opening "action program" 30 July. The committee is to draw up a demand expansion plan by early October.

Tanimura told the committee his agency will draft measures to expand the three key sectors of domestic demand--housing construction, capital spending and personal consumption--singled out by Nakasone, the officials said.

The committee also agreed to discuss another proposal by Nakasone to move up the date for starting closing offices at financial institutions every second and third Saturdays of the month to January from August next year. Banks and other financial institutions are closed every second Saturday a month currently. The proposed extra holidays are considered to help boost consumer spending.

The committee agreed to study relaxation of government restrictions in more than 50 fields, including placing land in trust accounts to permit easy financing for its commercial use, the officials said.

To promote such deregulation, the committee will also discuss monetary and tax incentives, they added.

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ECONOMIC

BRIEFS

**JULY UNEMPLOYMENT LEVELS OFF**--Tokyo, 30 Aug (KYODO)--Unemployment in Japan leveled off in July, with 1.45 million jobless persons, or 2.6 percent of the total labor force, the same as the seasonally-adjusted figure for June, according to a preliminary report released Friday by the Management and Coordination Agency. Of those working, 14.51 million were engaged in manufacturing industries (a year-to-year rise of 140,000), 13.14 million in the wholesale and retail trade and restaurants (a decline of 30,000), 11.74 million in other service businesses (down 50,000), 5.31 million in the construction sector (up 170,000), and 5.30 million in agriculture and forestry (down 40,000). The report said it was the first time since April 1984, that the number of workers in the construction industry had shown a year-to-year increase. Another report released Friday by the Labor Ministry showed that the ratio of job offers to job seekers stood at 68 jobs to every 100 unemployed people after seasonal adjustment, down 0.02 percent compared with the previous month. Job offers in July decreased 0.4 percent from the preceding month, while job seekers increased 1.9 percent, the report said. [Text] [Tokyo KYODO in English 0206 GMT 30 Aug 85]

**NISSAN KNOWHOW TO CHINA**--Beijing, 27 Aug (KYODO)--Nissan Diesel Motor Co. of Japan Tuesday signed a contract with China National Automobile Import and Export Corp. to provide techniques for manufacturing large eight-ton trucks. Under the contract, the Second China Automobile Plant in Shiyan, Hubei Province, will build a new factory in Xiangfan in the same province to produce 20,000 trucks a year with Nissan's technical cooperation. Nissan will also cooperate in developing new truck cabs suitable for use in China. Moreover, it will export parts for 300 trucks to have Chinese workers acquire techniques through trial manufacture. Nissan is hopeful that once production gets under way at the new plant, it will be asked to supply a considerable quantity of auto parts. The contract is considered indicative of China's policy of shifting emphasis from import of completed cars to production on its own. Since this spring, China has all but ceased to conclude large-scale contracts for automobile imports. [Text] [Tokyo KYODO in English 1231 GMT 27 Aug 85]

**LOAN TO INDIA**--Tokyo, 27 Aug (KYODO)--The Japanese Government Tuesday has approved loans totaling 39.23 billion yen to help finance five projects in India, the Foreign Ministry said. Some 15.8 billion yen will be spent



on natural gas pipelines, 9.5 billion yen on building a fertilizer plant, another 9.5 billion yen on modernizing telephone networks and the remainder to help two hydropower plant projects, ministry officials said. The loans, carrying an annual interest rate of 3.25 percent, is repayable over 20 years after a 10-year grace period, they added. [Text] [Tokyo KYODO in English 0822 GMT 27 Aug 85]

AID FOR NEPAL--Tokyo, 29 Aug (KYODO)--Japan pledged 847 million yen in aid for development of horticulture in Nepal, the Foreign Ministry announced Thursday. Japanese Ambassador to Nepal Kazuo Kaneko and Nepalese Vice Minister of Finance Rok Bahadur Shrestha signed the agreement in Katmandu the same day. The money will be used to expand a horticultural development center in Katmandu in order to improve horticultural techniques in the predominantly agricultural country. [Text] [Tokyo KYODO in English 0955 GMT 29 Aug 85]

AID TO SIERRA LEONE--Tokyo, 28 Aug (KYODO)--The government has extended food aid of up to 200 million yen to Sierra Leone, the Foreign Ministry announced Wednesday. Notes on the aid were exchanged the same day in Freetown, the capital of the western African country. The government also exchanged notes with Sierra Leone Wednesday agreeing to the rescheduling of its debts to Japan, the ministry said. Japan agreed to the deferred payment of about 257 million yen in overdue debts from the end of 1983 as well as debts which should have been repaid between April and December 1984. The action is in accord with an agreement reached last year between Sierra Leone and its creditor nations to help the African country overcome its financial difficulties. [Text] [Tokyo KYODO in English 1247 GMT 28 Aug 85]

LOAN TO TURKEY--Tokyo, 29 Aug (KYODO)--Japan Thursday signed an agreement with Turkey to provide a 24.3 billion yen credit to help finance construction of an expressway network, including work on the controversial second Bosphorus bridge. The credit, carrying an annual interest rate of 5 percent, is to be repaid in 25 years, including a 7-year grace period, according to the overseas Economic Cooperation Fund. A \$550 million contract for the bridge project went to a Japanese-Italian-Turkish group, which outbid a British group. British Prime Minister Margaret Thatcher had accused Japan of offering unfairly favorable financing to Turkey to help the Japanese-led group win the contract. [Text] [Tokyo KYODO in English 1151 GMT 29 Aug 85]

INDUSTRIAL COOPERATION WITH CANADA--Tokyo, 4 Sep (KYODO)--Japan and Canada have agreed to hold annual ministerial talks to discuss industrial cooperation between the two countries, Japanese officials said Wednesday. The agreement was made when Japanese Minister of International Trade and Industry Keijiro Murata met Canadian Regional Economic Expansion Minister Sinclair Stevens in Tokyo Tuesday night. The officials said the first such meeting will be held in Tokyo Thursday to discuss issues including joint ventures between Japanese and Canadian firms, technological tie-ups, joint research and development projects, investment in each other's country



and cooperation in third countries. At Thursday's meeting, the two countries will exchange views on advanced technologies such as ceramics, robotics and microelectronics, they said. The two ministers also agreed to work toward realization of an annual meeting of industry ministers of the seven summit nations--Japan, Canada, the United States, Britain, West Germany, France and Italy--at about the same time as the annual summit meeting itself, they said. [Text] [Tokyo KYODO in English 0004 GMT 4 Sep 85]

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